

# EUROPEAN ECONOMY

EUROPEAN COMMISSION  
DIRECTORATE-GENERAL FOR ECONOMIC AND FINANCIAL AFFAIRS

In this number :  
International indicators

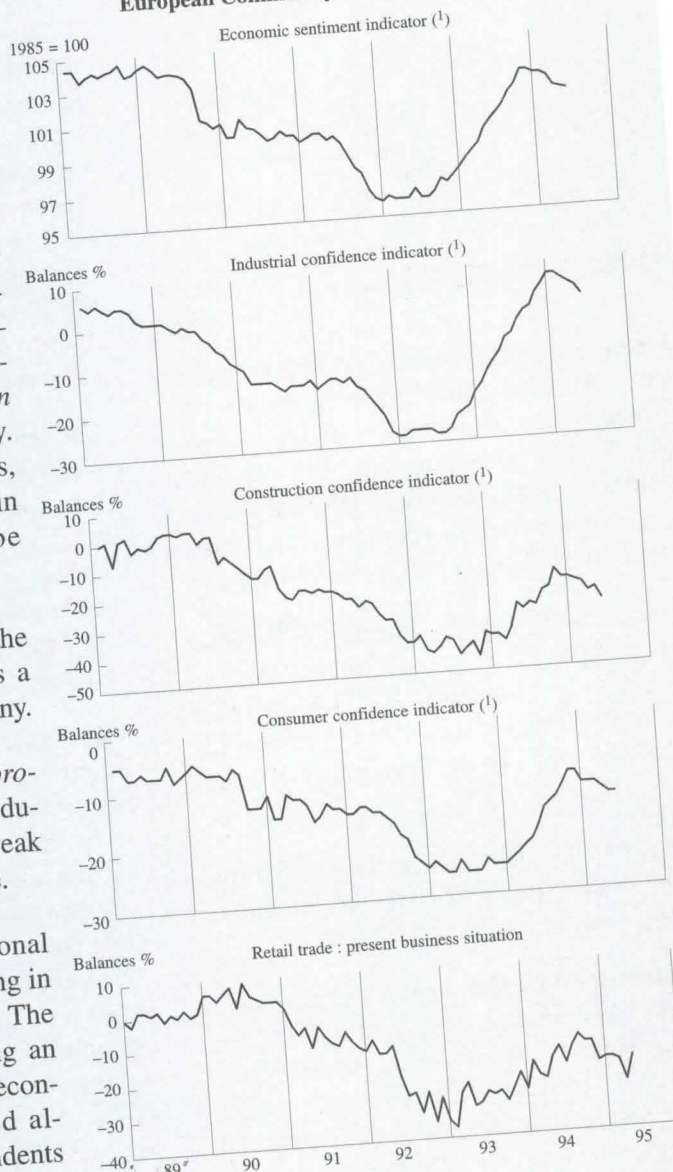
**Supplement B**  
Business and Consumer  
Survey Results  
No 6 – June 1995



## Wider differentials in economic activity in the European Union

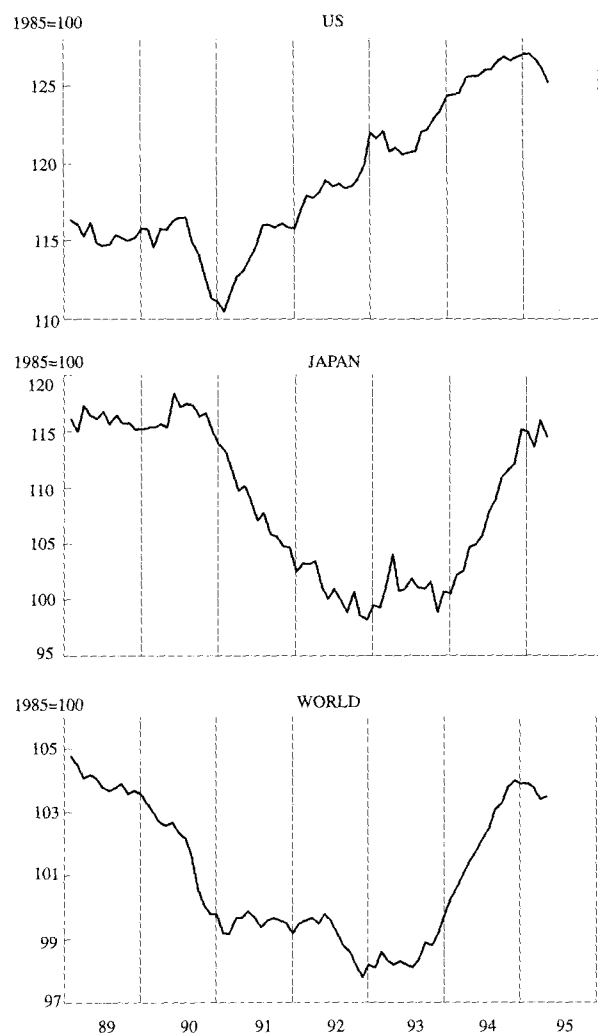
- The EU's leading economic indicator deteriorated further in May. However, *consumer sentiment* remained unchanged, and *share prices* rose markedly. The indicator's other two components – *industrial confidence* and *confidence in the construction industry* – dipped significantly. On a country-by-country basis, the pattern of economic activity in the Community seems to be showing wider differentials.
- The continuing slight drop in the *industrial indicator* conceals a sharp fall in Belgium and Germany.
- The further slackening of the *propensity to purchase* consumer durables continues to be the weak point of consumer confidence.
- Economic Survey International (ESI) points to a slight cooling in world economic sentiment. The number of experts expecting an improvement in the world economic situation diminished although, on average, respondents remained optimistic.

GRAPH 1 : Indicators of economic sentiment —  
European Community (s.a.)



(1) See notes to Table 1.

GRAPH 2 : Leading Indicators for the US, Japan and world



Source : European Commission; US Department of Trade;  
Economic Planning Agency of the Japanese Government.

**The EU's leading economic indicator deteriorated further in May.** – April's slight decline in the overall economic sentiment indicator continued in May. *Consumer sentiment* showed no change on the previous month and *share prices* rose markedly, but the indicator's other two components – *industrial confidence* and *confidence in the construction industry* – dipped significantly.

The indicator fell particularly sharply in certain countries, namely Belgium (–0.7), the United Kingdom (–0.6), Germany (–0.4) and Ireland (–0.1). On the other hand, it improved in France (+0.4), the Netherlands (+0.4), Italy (+0.3), Greece (+0.3), Portugal (+0.2) and Spain (+0.1).

The differing trends in the Union's leading economic indicator show that underlying economic conditions are now moving farther apart in the Member States.

**A slight drop in industrial confidence.** – The small fall in the Union's *industrial indicator* (from +4 to +2) conceals a sharp fall in Belgium (from –3 to –9) and Germany (from +3 to –2). In both countries the gloomier assessment of both domestic and export *orders* were the main factors contributing to more cautious *production planning*. The only countries to show a rise in the leading

industrial indicator were the United Kingdom and Greece.

In the Union as a whole, industrial firms' *selling price expectations* weakened slightly (from +25 to +22). However, firms in Greece, Ireland and Portugal are expecting faster price increases for their products.

**The recovery in the construction industry has stalled.** – The improvement in construction activity discernible up to the start of 1995 came to a halt in March. For several months the confidence indicator has been falling and construction firms complain that *order-books* are thin; at the same time they report a decline in *building activity* and are planning further cutbacks in *employment* (see Table 3).

**Share prices are again headed upwards.** – In the overall indicator, share prices are shown as deviations from the long-term trend, providing a very useful indicator of profit expectations. This indicator has again shown a marked improvement since March, although not in Germany, Italy and Ireland, where share prices have marked time since the beginning of the year.

**Consumer sentiment shows no change on the previous month.** – The consumer sentiment indicator, which had fallen in each of the last two months, did not deteriorate further in the most recent consumer survey. The slackening *propensity to purchase* consumer durables is again the weak point of consumer confidence. In the most recent results, consumers' assessments of their own *financial situation* and its *future trend* still remain cautious, but the growing pessimism noted in recent months with regard to the *general economic situation in the next twelve months* has probably eased slightly.

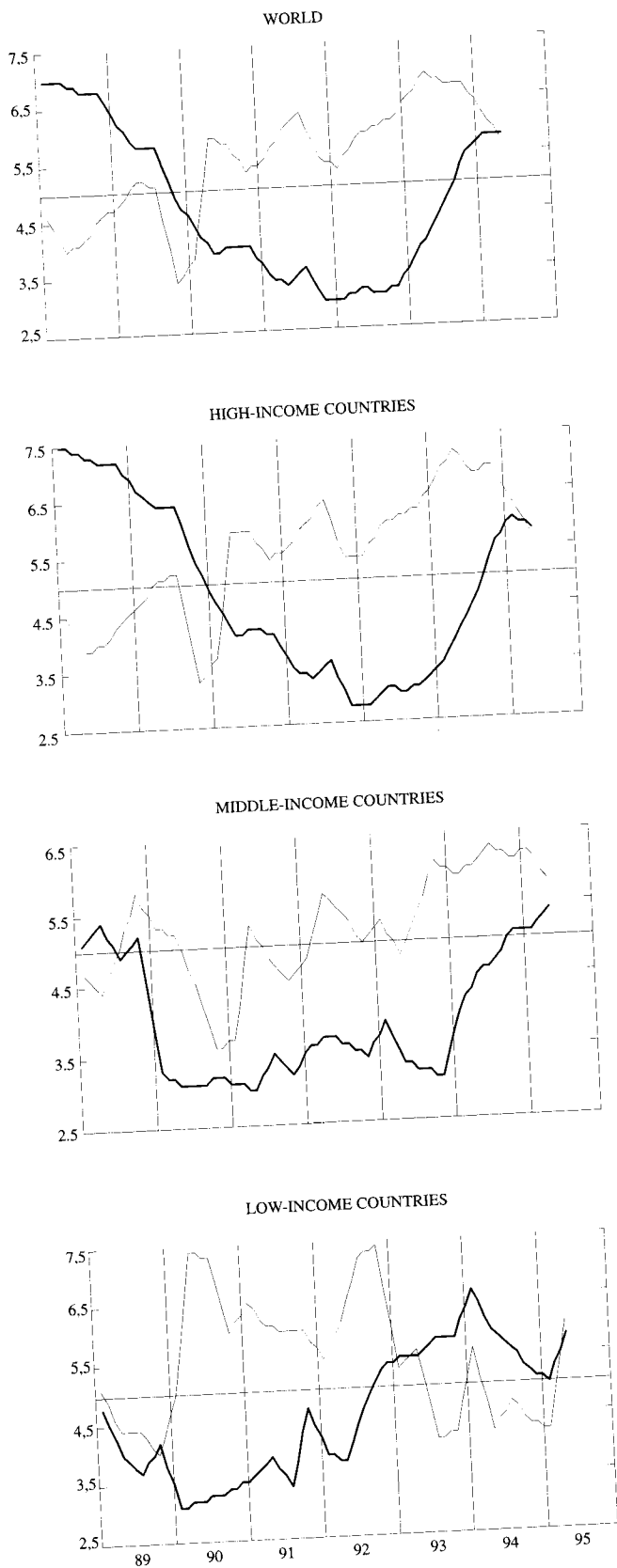
**The leading world indicator is still at a high level.** – According to provisional calculations, the *leading world indicator* remained almost unchanged in April and largely mirrored economic activity in Europe. However, the leading indicator for the United States suggested a slackening of economic growth. In Japan too, the leading indicator is signalling that growth prospects have worsened.

**Economic Survey International (ESI) also points to a slight cooling in world economic sentiment.** – According to the IFO Institute survey – Economic Survey International – carried out on behalf of the Commission among almost 500 economic experts of multinational companies and authoritative institutions in 61 countries, the experts continue to take an optimistic view of the current economic situation. In April assessments are at the same level as they were in the previous survey, conducted in January. However, the number of experts expecting an improvement in the world economic situation diminished. Yet here too, respondents remain optimistic overall (see Graph 3).

# GRAPHS 3-4 : "Economic Survey International"

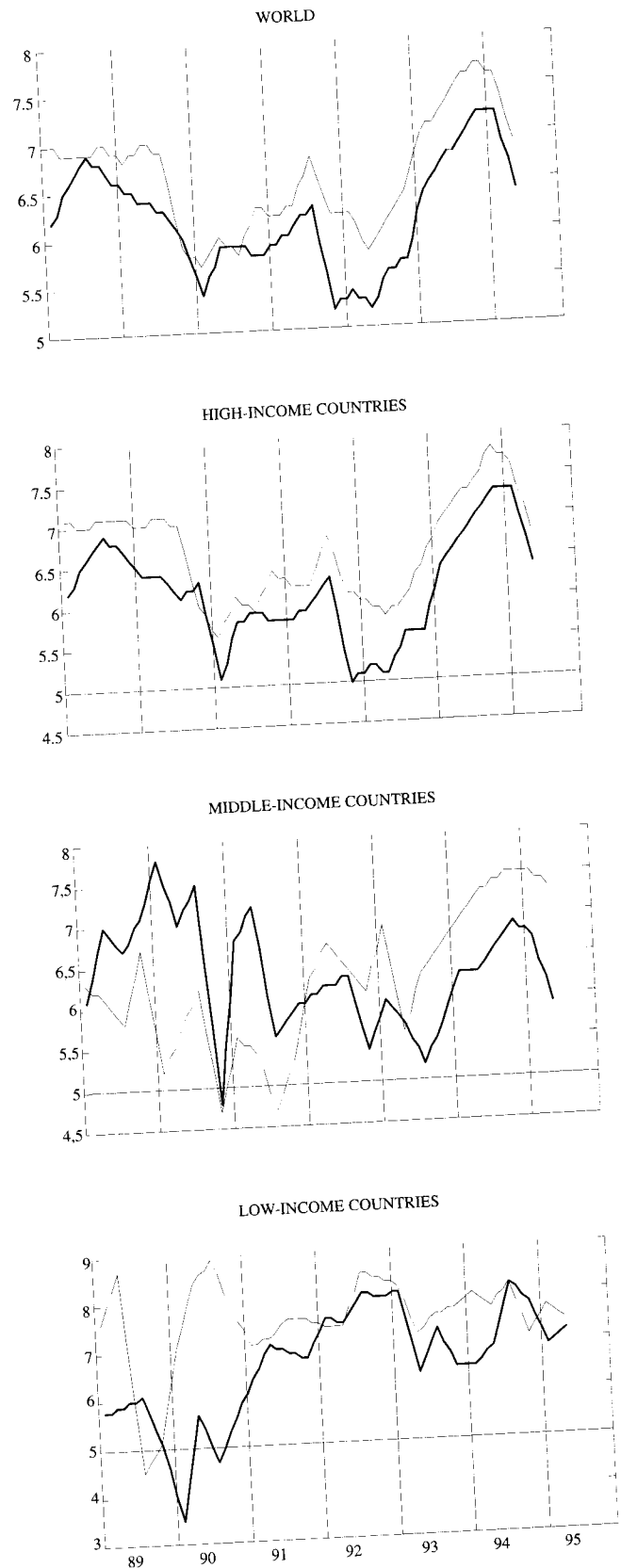
**GRAPH 3 : Present economic situation and expectations for the next six to twelve months**

— Present economic situation — Expectations for next 6-12 months



**GRAPH 4 : Import and export expectations for the next six to twelve months**

— Import expectations — Export expectations



The Economic Survey International has been conducted by the IFO Institute on behalf of the European Commission 4 times per year (January, April, July, October) and is based on the answers of about 500 economic experts in about 66 countries. The replies are 'graded': positive responses (+) receive a grade of 9, indifferent ones (=) a grade of 5 and negative ones (-) a grade of 1. Grades between 5 and 9 imply a preponderance of positive replies or increase, while grades between 5 and 1 indicate that negative replies or decreases predominated.

Source : European Commission business surveys.

TABLE 1\*: Indicators of confidence and economic sentiment (s.a.)

		Values		1992	1993	1994	1994	1995	1994	1995					
		Max. 88/90	Min. 91/93				III	IV	I	Dec.	Jan.	Feb.	Mar.	Apr.	May
B	1. industrial confidence indicator	2	-33	-20	-29	-6	-4	0	3	3	4	4	-1	-3	-9
	2. construction confidence indicator	7	25	-13	-21	-15	-15	-16	-18	-17	-17	-18	-19	-20	-26
	3. consumer confidence indicator	5	-30	-12	-26	-15	-12	-8	-9	-9	-8	-8	-10	-9	-11
	4. share-price index <sup>(a)</sup>	:	:	187.5	206.8	230.7	227.7	217.7	213.0	219.0	216.0	215.0	208.0	217.0	230.0
	= 5. economic sentiment indicator	107.3	98.5	101.9	99.2	103.4	104.0	104.9	104.8	104.9	105.1	105.1	104.3	104.4	103.7
DK	1. industrial confidence indicator	5	-20	-7	-12	12	15	15	12	:	13	:	:	10	:
	2. construction confidence indicator	12	-37	-22	-24	3	12	17	16	:	16	:	:	9	:
	3. consumer confidence indicator	-4	-10	-2	-5	8	10	10	9	10	9	9	10	8	10
	4. share-price index <sup>(a)</sup>	:	:	144.7	147.7	176.3	171.1	167.6	168.8	168.2	169.7	172.5	164.1	168.9	177.5
	= 5. economic sentiment indicator	97.3	93.8	96.0	95.3	100.3	101.0	101.1	100.8	101.1	100.9	100.8	100.6	100.3	:
D	1. industrial confidence indicator	11	-36	-18	-34	-13	-10	-1	4	1	5	4	4	3	-2
	2. construction confidence indicator	3	-33	-15	-28	-27	-26	-26	-32	-27	-29	-33	-35	-35	-41
	3. consumer confidence indicator	6	-30	-20	-28	-15	-10	-6	-6	-8	-6	-8	-4	-6	-6
	4. share-price index <sup>(a)</sup>	:	:	137.5	147.4	168.2	167.7	160.9	158.8	160.9	159.9	161.5	155.0	153.0	159.5
	= 5. economic sentiment indicator	104.8	95.8	98.7	96.1	99.6	100.4	101.4	101.6	101.3	101.7	101.4	101.6	101.3	100.9
GR	1. industrial confidence indicator	5	-11	-4	-6	0	4	-2	2	1	0	1	4	1	2
	2. construction confidence indicator	-12	-50	-13	-23	-38	-51	-45	-31	:	-31	:	:	-49	:
	3. consumer confidence indicator	-7	-36	-31	-27	-22	-24	-28	-32	-30	-31	-31	-33	-31	-30
	4. share-price index <sup>(a)</sup>	:	:	560.7	473.6	551.4	506.0	500.0	487.6	514.0	500.2	484.9	477.7	481.7	536.3
	= 5. economic sentiment indicator	101.1	98.5	99.0	99.2	100.0	99.7	99.2	99.4	99.2	99.4	99.4	99.4	99.0	99.3
E	1. industrial confidence indicator	0	44	-25	-35	-9	-6	0	3	1	3	4	2	2	2
	2. construction confidence indicator	32	-59	-37	-44	-18	-15	4	0	-4	-1	3	-3	1	3
	3. consumer confidence indicator	5	-39	-20	-34	-25	-20	-15	-18	-15	-16	-17	-22	-21	-22
	4. share-price index <sup>(a)</sup>	:	:	270.0	316.0	368.6	360.5	344.8	323.8	333.9	329.7	326.7	314.9	322.2	344.8
	= 5. economic sentiment indicator	102.0	96.1	98.2	96.6	99.2	99.6	100.4	100.1	100.3	100.4	100.3	99.7	99.8	99.9
F	1. industrial confidence indicator	12	-40	-21	-35	-4	2	9	5	9	10	5	0	4	1
	2. construction confidence indicator	2	-59	-43	-57	-38	-37	-30	-34	:	-34	:	:	-35	:
	3. consumer confidence indicator	-9	-28	-22	-25	-17	-15	-13	-15	-13	-14	-15	-16	-17	-14
	4. share-price index <sup>(a)</sup>	:	:	217.2	241.2	252.5	244.1	235.3	223.7	238.1	225.9	225.0	220.3	232.5	241.6
	= 5. economic sentiment indicator	106.0	97.1	99.9	97.9	101.9	102.6	103.4	102.7	103.5	103.2	102.7	102.1	102.3	102.7
IRL	1. industrial confidence indicator	14	-22	-4	-13	2	4	7	7	11	11	5	6	12	11
	2. construction confidence indicator	30	-38	-13	-27	-2	18	22	-5	19	-3	2	-14	9	5
	3. consumer confidence indicator	-3	-26	-21	-14	-1	-1	2	5	2	5	4	6	0	0
	4. share-price index <sup>(a)</sup>	:	:	223.9	280.8	318.6	320.7	315.5	321.4	318.7	319.2	325.4	319.7	324.2	332.1
	= 5. economic sentiment indicator	105.4	100.1	101.2	101.7	104.2	104.6	105.0	104.9	105.1	105.0	104.9	104.8	104.8	104.7
I	1. industrial confidence indicator	13	-22	-15	-17	1	3	9	10	11	10	8	11	7	8
	2. construction confidence indicator	21	-68	-16	-48	-35	-32	-15	-13	-14	-15	-7	-18	-17	-22
	3. consumer confidence indicator	0	-36	-19	-32	-21	-18	-15	-19	-15	-17	-16	-25	-24	-23
	4. share-price index <sup>(a)</sup>	:	:	136.9	168.2	209.8	211.6	193.9	198.3	190.6	202.4	204.1	188.3	190.6	203.7
	= 5. economic sentiment indicator	103.7	96.0	98.7	96.7	99.9	100.5	101.4	100.8	101.5	101.2	101.4	99.9	99.9	100.2
NL	1. industrial confidence indicator	3	-12	-6	-10	-1	2	3	4	5	3	4	5	5	4
	2. construction confidence indicator	9	-20	-15	-17	-11	-8	-9	-10	-9	-8	-12	-11	-10	-8
	3. consumer confidence indicator	11	-21	-10	-17	-7	-4	-1	2	-3	-1	4	4	3	5
	4. share-price index <sup>(a)</sup>	:	:	142.4	167.0	195.5	194.9	195.5	186.3	196.7	195.0	174.8	189.0	197.8	207.1
	= 5. economic sentiment indicator	103.6	97.2	99.0	97.9	100.3	100.9	101.3	101.6	101.2	101.4	101.6	101.9	101.9	102.3
P	1. industrial confidence indicator	5	-28	-12	-25	-5	-3	1	2	2	3	3	0	-2	-1
	2. construction confidence indicator	12	-51	-32	-47	-45	-43	-41	-41	-43	-45	-40	-39	-34	-34
	3. consumer confidence indicator	4	-31	-5	-24	-26	-26	-25	-23	-24	-25	-22	-22	-24	-22
	4. share-price index <sup>(a)</sup>	:	:	93.9	110.6	145.1	143.4	144.0	132.1	144.4	133.6	130.8	131.9	138.0	138.6
	= 5. economic sentiment indicator	103.5	95.0	98.0	95.7	97.7	97.8	98.3	98.2	98.4	98.1	98.3	98.2	98.1	98.3
UK	1. industrial confidence indicator	21	-40	-24	-11	2	4	8	10	11	8	11	10	5	7
	2. construction confidence indicator	42	-78	-53	-38	-20	-15	-17	-25	-20	-17	-27	-32	-21	-32
	3. consumer confidence indicator	7	-31	-15	-13	-12	-11	-10	-11	-15	-11	-10	-11	-10	-16
	4. share-price index <sup>(a)</sup>	:	:	198.1	228.2	245.3	243.2	236.8	235.7	234.4	235.7	235.7	235.8	244.3	251.3
	= 5. economic sentiment indicator	104.3	96.1	98.0	99.2	100.3	100.5	100.6	100.3	100.3	100.5	100.4	100.1	100.3	99.7
EUR	1. industrial confidence indicator	6	-28	-19	-26	-5	-2	5	6	7	7	6	5	4	2
	2. construction confidence indicator	3	-44	-29	-40	-28	-25	-19	-22	-20	-21	-22	-25	-24	-28
	3. consumer confidence indicator	-3	-26	-18	-25	-17	-14	-11	-12	-12	-12	-12	-13	-14	-14
	4. share-price index <sup>(a)</sup>	:	:	179.4	201.8	227.6	224.4	215.2	210.7	214.3	213.2	212.4	206.4	211.4	221.7
	= 5. economic sentiment indicator	104.8	96.0	98.5	96.4	100.7	101.6	102.8	102.4	102.6	102.7	102.5	101.9	101.8	101.7

(a) Not seasonally adjusted. Source: Eurostat, DRI. Weights for the calculation of EUR have been updated according to GDP.

\* Used data-sign in the tables: (s.a.) = seasonally adjusted, : = not available.  
 The figures for the Federal Republic of Germany refer to Western Germany, if not mentioned otherwise.  
 Economic sentiment indicator and share-price index: 1985 = 100; the confidence indicators: balances.  
 Source, unless stated otherwise: European Commission business and consumer surveys.

TABLE 2 : **Monthly survey of manufacturing industry** — Monthly questions and the composite industrial confidence indicator <sup>(a)</sup>  
 Balances : i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

		Values		1992	1993	1994	1994		1995	1994		1995				
		Max. 88/90	Min. 91/93				III	IV		I	Dec.	Jan.	Feb.	Mar.	Apr.	May
INDUSTRIAL CONFIDENCE INDICATOR	B	2	-33	-20	-29	-6	-4	0	2	3	4	4	-1	-3	-9	
	DK	5	-20	-7	-13	12	15	15	13	:	13	:	:	10	:	
	D	11	-38	-18	-34	-13	-10	-1	4	1	5	4	4	3	-2	
	GR	5	-11	-4	-6	0	4	-2	2	1	0	1	4	1	2	
	E	0	-44	-25	-35	-9	-6	0	3	1	3	4	2	2	2	
	F	12	-40	-21	-35	-4	2	9	5	9	10	5	0	4	1	
	IRL	14	-22	-4	-13	3	4	7	7	11	11	5	6	12	11	
	I	13	-22	-15	-18	1	3	9	10	11	10	8	11	7	8	
	L	11	-36	-28	-25	-8	-5	5	16	7	17	17	13	25	23	
	NL	3	-12	-6	-10	-1	2	3	4	5	3	4	5	5	4	
	P	5	-28	-12	-25	-5	-3	1	2	2	3	3	0	-2	-1	
UK	21	-40	-24	-11	2	4	8	10	11	8	11	10	5	7		
EUR		6	-28	-19	-26	-5	-1	5	6	7	7	6	5	4	2	
PRODUCTION EXPECTATIONS	B	12	-36	-16	-28	2	4	13	12	17	15	15	7	6	-2	
	DK	15	-5	7	-28	19	18	21	19	:	19	:	:	10	:	
	D	14	-31	-10	-20	7	9	15	19	15	22	19	17	19	6	
	GR	29	3	25	20	25	32	25	30	29	30	28	33	24	28	
	E	16	-19	-4	-10	7	6	14	12	13	11	15	9	6	6	
	F	23	-27	-4	-20	11	12	20	14	18	21	14	7	11	8	
	IRL	27	-15	1	-3	15	14	23	22	26	25	21	19	19	20	
	I	28	-14	1	-1	18	20	26	26	27	28	25	24	21	20	
	L	19	-42	-28	-16	-2	4	3	12	3	13	15	7	28	26	
	NL	12	-4	4	1	10	13	11	11	12	9	11	14	13	13	
	P	18	-11	3	-8	9	13	14	16	18	17	17	13	8	13	
UK	34	-38	-1	11	22	23	26	30	31	23	33	33	15	23		
EUR		18	-16	-4	-9	13	14	20	20	21	21	21	18	15	12	
ORDER-BOOKS	B	-1	-51	-33	-45	-21	-17	-11	-6	-7	-3	-6	-10	-11	-16	
	DK	11	-45	-17	-31	14	26	26	27	:	27	:	:	25	:	
	D	12	-59	-29	-57	-34	-29	-15	-6	-9	-6	-7	-6	-7	-8	
	GR	-7	-30	-21	-26	-18	-18	-18	-10	-13	-12	-12	-6	-8	-12	
	E	-3	-65	-43	-58	-19	-12	-4	5	-1	4	6	5	7	6	
	F	16	-65	-39	-57	-14	-4	5	3	7	8	4	-4	1	-3	
	IRL	16	-36	-8	-20	1	4	6	7	10	13	2	7	19	13	
	I	12	-44	-30	-38	-9	-5	3	8	7	7	7	11	8	7	
	L	16	-63	-44	-44	-19	-19	11	17	12	21	21	10	33	32	
	NL	1	-25	-15	-23	-9	-7	-1	2	3	2	2	1	1	0	
	P	0	-52	-30	-48	-20	-18	-10	-8	-8	-9	-4	-10	-11	-11	
UK	26	-62	-49	-26	-5	-1	8	10	11	11	11	9	10	4		
EUR		5	-49	-35	-46	-17	-12	-2	2	2	4	2	1	2	-1	
EXPORT ORDER-BOOKS	B	-3	-56	-36	-49	-22	-19	-10	-3	-7	0	-5	-4	-9	-14	
	DK	17	-39	-9	-24	13	22	20	20	:	20	:	:	22	:	
	D	1	-68	-39	-63	-43	-39	-25	-8	-19	-8	-10	-7	-10	-10	
	GR	-16	-36	-26	-24	-2	-5	2	8	6	9	1	13	6	9	
	E	-17	-55	-38	-48	-15	-9	-4	-1	-1	-2	-1	0	1	6	
	F	24	-62	-32	-54	-11	-1	11	13	17	18	13	9	11	12	
	IRL	29	-53	-20	-18	-6	-3	5	13	8	12	17	9	17	23	
	I	0	-41	-35	-26	9	13	15	23	18	17	27	24	28	24	
	L	52	-74	-51	-42	-19	-19	13	18	14	20	23	12	41	35	
	P	1	-58	-29	-50	2	5	15	11	15	13	12	8	5	-4	
	UK	12	-42	-35	-19	-2	2	9	14	10	15	15	13	19	13	
EUR		0	-49	-35	-46	-19	-15	-5	4	-1	5	4	4	5	3	
STOCKS OF FINISHED PRODUCTS	B	-1	21	12	13	0	-1	2	-2	2	-1	-3	-1	5	8	
	DK	-1	20	11	10	-1	0	1	6	:	6	:	:	4	:	
	D	-9	30	15	27	12	10	3	1	2	2	1	0	2	4	
	GR	1	21	15	12	8	3	14	15	14	18	12	14	12	11	
	E	8	47	27	37	13	12	9	7	9	5	8	7	7	7	
	F	-3	32	19	27	8	3	-2	2	-3	-1	2	4	1	1	
	IRL	-6	23	5	15	8	7	8	7	3	6	8	8	1	1	
	I	-4	22	17	13	5	5	2	5	2	5	7	3	7	4	
	L	-10	26	11	15	3	2	0	-18	-5	-17	-14	-22	-15	-10	
	NL	0	11	7	9	4	1	1	0	0	1	0	0	0	1	
	P	0	25	9	18	5	5	1	2	3	-2	5	3	2	4	
UK	4	30	20	18	12	10	9	10	9	9	10	11	11	7		
EUR		2	25	17	22	9	7	4	4	3	3	5	4	5	4	
SELLING-PRICE EXPECTATIONS	B	24	-18	-3	-6	9	12	20	19	25	23	21	14	14	12	
	D	26	-7	10	-2	9	14	20	23	25	23	23	24	22	18	
	GR	41	13	28	22	27	27	31	34	35	33	38	30	31	36	
	E	21	-18	-5	-10	10	13	19	29	23	28	29	30	35	27	
	F	34	-11	8	-3	10	13	19	17	21	18	18	14	13	14	
	IRL	23	-25	-4	-4	-1	5	-2	2	-6	0	-1	6	8	13	
	I	32	6	13	11	19	21	24	33	24	32	32	34	40	33	
	L	62	-50	-14	1	13	22	43	44	49	45	49	37	40	35	
	P	28	-2	10	3	22	26	30	27	30	29	26	25	23	26	
	UK	34	-6	-1	5	11	17	21	27	20	24	29	28	20	22	
	EUR		28	-1	7	1	12	16	21	25	23	24	25	25	25	22

(a) The indicator is an average of the responses (balances) to the questions on production expectations, order-books and stocks (the latter with inverted sign).

TABLE 3: Survey of the construction industry

Balances : i.e. differences between the percentages of respondents giving positive and negative replies (s.a.)

		Values		1992	1993	1994	1994		1995	1994		1995				
		Max. 88/90	Min. 91/93				III	IV		I	Dec.	Jan.	Feb.	Mar.	Apr.	May
CONSTRUCTION CONFIDENCE INDICATOR <sup>(a)</sup>	B	7	-25	-13	-21	-15	-15	-16	-18	-17	-17	-17	-18	-19	-20	-26
	DK	12	-37	-22	-24	3	12	17	16	:	16	:	:	:	9	:
	D	3	-33	-15	-28	-27	-26	-26	-32	-27	-29	-33	-35	-35	-35	-41
	GR	-12	-50	-13	-23	-38	-51	-45	-31	:	-31	:	:	:	-49	:
	E	31	-59	-37	-44	-18	-15	4	0	-4	-1	3	-3	1	3	:
	F	2	-59	-43	-57	-38	-37	-30	-34	:	-34	:	:	:	-35	:
	IRL	30	-39	-13	-27	-2	18	22	-5	19	-3	2	-14	9	5	:
	I	21	-68	-16	-48	-35	-32	-15	-13	-14	-15	-7	-18	-17	-22	:
	L	24	-65	-23	-54	-51	-44	-35	-48	-27	-35	-55	-53	-49	-45	:
	NL	9	-20	-15	-17	-11	-8	-9	-10	-9	-8	-12	-11	-10	-8	:
	P	12	-51	-32	-47	-45	-43	-41	-41	-43	-45	-40	-39	-34	-34	:
	UK	42	-78	-53	-38	-20	-15	-17	-25	-20	-17	-27	-32	-21	-32	:
TREND OF ACTIVITY COMPARED WITH PRECEDING MONTH	EUR	3	-44	-29	-40	-28	-25	-19	-22	-20	-21	-22	-25	-24	-28	:
	B	36	-37	-5	-10	-4	-1	1	2	14	10	-9	6	-4	-10	:
	D	19	-29	-16	-24	-15	-14	-9	-9	-3	-5	-15	-8	-28	-25	:
	GR	30	-27	7	-8	-22	-36	-48	-14	:	-14	:	:	:	-9	:
	E	45	-44	-25	-13	6	20	16	12	5	15	6	15	-11	23	:
	F	32	-63	-38	-58	-21	-16	0	-4	:	-4	:	:	:	-12	:
	IRL	24	-33	-10	-14	5	21	30	1	21	34	-2	-28	21	8	:
	I	32	-50	-5	-25	-14	-9	2	-1	-8	3	4	-9	-1	-17	:
	L	39	-63	-16	-48	-24	-20	-16	-13	-3	1	-25	-15	-37	-31	:
	NL	35	-35	-8	-13	-4	-1	0	0	6	-6	-7	12	-36	-22	:
	P	25	-32	-15	-19	-20	-17	-15	-13	-14	-15	-12	-12	-9	-11	:
	UK	50	-67	-20	-7	4	8	3	-7	-2	1	-12	-10	4	-11	:
ORDER-BOOKS	EUR	20	-34	-19	-26	-11	-6	-1	-3	-2	0	-6	-4	-12	-13	:
	B	-6	-37	-26	-29	-27	-27	-28	-30	-30	-29	-32	-30	-35	-38	:
	DK	13	-48	-32	-34	-2	7	20	31	:	31	:	:	:	16	:
	D	-7	-43	-26	-38	-35	-36	-34	-38	-35	-36	-39	-39	-41	-46	:
	GR	-39	-73	-45	-56	-59	-60	-69	-51	:	-51	:	:	:	-76	:
	E	45	-64	-37	-42	-25	-24	-2	-14	-6	-17	-12	-13	-15	-5	:
	F	4	-73	-55	-69	-52	-51	-43	-48	:	-48	:	:	:	-45	:
	IRL	30	-55	-13	-40	-27	-11	-1	-25	6	-14	-29	-32	-20	-26	:
	I	17	-76	-17	-58	-45	-43	-25	-26	-23	-27	-17	-34	-24	-32	:
	L	12	-69	-22	-58	-51	-44	-39	-49	-36	-38	-55	-54	-51	-48	:
	NL	2	-30	-22	-25	-20	-19	-18	-18	-16	-14	-20	-20	-22	-17	:
	P	-6	-70	-49	-66	-71	-69	-68	-68	-68	-71	-68	-65	-58	-60	:
EMPLOYMENT EXPECTATIONS	UK	35	-85	-73	-63	-42	-35	-39	-46	-39	-36	-48	-53	-37	-49	:
	EUR	-2	-57	-38	-52	-40	-38	-31	-35	-31	-33	-34	-37	-34	-38	:
	B	19	-18	-1	-12	-3	-2	-3	-5	-3	-4	-4	-8	-4	-14	:
	DK	11	-26	-13	-15	9	17	13	0	:	0	:	:	:	1	:
	D	19	-22	-4	-18	-19	-16	-18	-26	-19	-21	-26	-31	-29	-35	:
	GR	20	-26	20	10	-18	-41	-20	-10	:	-10	:	:	:	-22	:
	E	-0	-63	-36	-45	-12	-6	9	14	-1	15	18	8	17	11	:
	F	8	-47	-31	-46	-25	-22	-17	-19	:	-19	:	:	:	-24	:
	IRL	37	-35	-13	-14	23	46	45	15	31	9	32	4	38	35	:
	I	25	-60	-15	-39	-24	-21	-4	0	-4	-2	3	-2	-9	-12	:
	L	36	-62	-25	-50	-52	-44	-30	-46	-18	-32	-54	-52	-46	-42	:
	NL	16	-15	-8	-9	-2	3	0	-2	-2	-1	-3	-2	2	1	:
PRICE EXPECTATIONS	P	28	-37	-15	-27	-19	-16	-14	-14	-17	-19	-12	-12	-9	-8	:
	UK	51	-70	-32	-12	2	6	4	-4	-1	3	-5	-11	-5	-15	:
	EUR	12	-34	-19	-29	-16	-12	-7	-10	-9	-8	-9	-13	-13	-17	:
	B	28	-12	2	-8	-1	1	3	2	1	4	3	-2	-6	-8	:
	D	45	-23	-6	-21	-10	-3	-3	-9	-5	-6	-9	-12	-18	-17	:
	GR	26	-28	8	-18	3	19	29	13	:	13	:	:	:	-18	:
	E	70	-21	12	0	5	3	20	25	20	25	30	20	39	46	:
	IRL	38	-46	-14	-11	16	27	29	17	26	27	16	9	37	29	:
	I	63	-16	25	-1	11	16	16	10	15	5	8	17	1	27	:
	L	23	-67	-31	-58	-45	-37	-35	-40	-33	-43	-31	-45	-43	-47	:
	NL	64	3	28	8	15	22	21	17	21	18	17	16	27	28	:
	P	70	-25	14	-12	-2	0	-2	-5	-1	-13	-5	2	-1	-2	:
	UK	70	-54	-13	5	27	36	33	23	29	33	21	16	18	8	:
	EUR	39	-11	6	-6	6	12	14	8	12	10	8	7	4	10	:

(a) The indicator is an average of the responses (balances) to the questions on order-books and employment expectations.



TABLE 4 : Consumer opinion on economic and financial conditions (s.a.) <sup>(a)</sup>

		Values		1992	1993	1994	1994		1995	1994		1995			
		Max. 88/90*	Min. 91/93*				III	IV		I	Dec.	Jan.	Feb.	Mar.	Apr.
CONSUMER CONFIDENCE INDICATOR <sup>(b)</sup>	B	5	-30	-12	-26	-15	-12	-8	-9	-9	-8	-8	-10	-9	-11
	DK	2	10	-2	-5	8	10	10	9	10	9	9	10	8	10
	D	6	-30	-20	-28	-15	-10	-6	-6	-8	-6	-8	-4	-6	-6
	GR	-7	-36	-31	-27	-22	-24	-28	-32	-30	-31	-31	-33	-31	-30
	E	5	-39	-20	-34	-25	-20	-15	-18	-15	-16	-17	-22	-21	-22
	F	-9	-28	-22	-25	-17	-15	-13	-15	-13	-14	-15	-16	-17	-14
	IRL	-3	-26	-21	-13	-1	-1	2	5	2	5	4	6	0	0
	I	0	-36	-19	-32	-21	-18	-15	-19	-15	-17	-16	-25	-24	-23
	NL	11	-21	-10	-17	-7	-4	-1	2	-3	-1	4	4	3	5
	P	4	-31	-5	-24	-26	-26	-25	-23	-24	-25	-22	-22	-24	-22
FINANCIAL SITUATION OF HOUSEHOLDS	UK	7	-31	-15	-13	-12	-11	-10	-11	-15	-11	-10	-11	-10	-16
	EUR <sup>(c)</sup>	-3	-26	-18	-25	-17	-14	-11	-12	-12	-12	-12	-13	-14	-14
	B	2	-16	-4	-11	-9	-8	-6	-7	-6	-6	-7	-7	-6	-6
	DK	2	-2	3	1	9	10	11	11	11	12	8	12	10	11
	D	4	-20	-15	-18	-15	-12	-9	-12	-11	-11	-14	-11	-11	-11
	GR	-8	-43	-39	-37	-24	-25	-27	-33	-31	-32	-32	-34	-33	-33
	E	0	-27	-12	-22	-20	-19	-15	-16	-14	-15	-16	-16	-15	-15
	F	-5	-16	-10	-12	-12	-12	-10	-10	-9	-9	-10	-11	-11	-10
	IRL	-13	-25	-22	-17	-11	-12	-11	-6	-10	-7	-7	-3	-11	-10
	I	-1	-24	-9	-20	-19	-17	-16	-17	-16	-14	-15	-21	-19	-20
— over last 12 months	NL	12	-3	1	-1	-3	-3	-5	-4	-8	-8	-1	-2	-2	0
	P	2	-23	-5	-18	-21	-21	-21	-19	-20	-21	-18	-17	-18	-19
	UK	-2	-32	-20	-21	-21	-20	-20	-20	-23	-20	-20	-19	-16	-20
	EUR <sup>(c)</sup>	-4	-19	-12	-17	-15	-14	-13	-14	-14	-13	-14	-14	-13	-14
	B	8	-9	0	-5	-1	-1	3	3	3	3	2	3	4	3
	DK	11	6	10	10	12	12	13	14	14	13	14	14	11	13
	D	4	-15	-9	-13	-8	-4	-4	-5	-7	-6	-6	-2	-4	-3
	GR	3	-31	-26	-18	-13	-17	-22	-24	-23	-23	-24	-25	-24	-24
	E	8	-16	-7	-11	-3	0	3	0	4	2	-1	-2	-2	-3
	F	3	-9	-1	-5	-1	1	1	-1	1	0	0	-2	-1	2
— over next 12 months	IRL	0	-11	-8	-5	-1	-2	0	1	0	0	1	1	-1	-1
	I	5	-13	-5	-12	-4	-2	-1	2	-1	4	4	-1	2	2
	NL	10	-3	2	-1	0	0	0	2	0	1	4	2	2	1
	P	9	-18	1	-13	-11	-12	-7	-7	-7	-7	-6	-7	-7	-8
	UK	4	-22	-1	-7	-13	-11	-9	-8	-14	-8	-7	-8	-7	-9
	EUR <sup>(c)</sup>	2	-10	-4	-9	-5	-3	-3	-2	-4	-2	-2	-3	-2	-2
	B	7	-61	-32	-54	-35	-28	-20	-21	-23	-22	-21	-20	-18	-23
	DK	5	-27	-3	-14	11	16	17	16	16	14	17	16	13	15
	D	14	-60	-34	-54	-30	-18	-8	-6	-8	-7	-10	-1	-2	-4
	GR	-16	-41	-36	-34	-28	-30	-33	-37	-37	-37	-36	-39	-36	-34
GENERAL ECONOMIC SITUATION	E	0	-62	-30	-54	-45	-39	-28	-36	-26	-33	-33	-41	-38	-34
	F	-23	-57	-46	-54	-43	-39	-36	-37	-36	-37	-35	-38	-38	-38
	IRL	-3	-59	-44	-36	-6	-6	2	9	3	10	7	9	0	-3
	I	-3	-74	-47	-70	-52	-45	-37	-47	-35	-46	-41	-55	-58	-49
	NL	21	-57	-26	-47	-23	-14	-5	4	-9	-6	6	11	4	8
	P	13	-44	-4	-33	-36	-35	-38	-36	-36	-40	-34	-35	-37	-33
	UK	4	-67	-50	-40	-26	-27	-21	-23	-27	-23	-23	-23	-25	-34
	EUR <sup>(c)</sup>	-10	-54	-40	-53	-36	-30	-23	-26	-24	-26	-25	-26	-28	-28
	B	8	-45	-22	-40	-12	-5	1	-3	-4	1	-2	-7	-3	-9
	DK	5	-10	-4	-6	8	13	8	5	6	4	7	3	4	3
— over next 12 months	D	6	-41	-24	-38	-11	-5	2	2	0	2	1	4	1	-1
	GR	0	-26	-20	-13	-14	-17	-25	-26	-27	-25	-26	-27	-26	-24
	E	6	-38	-24	-25	-8	2	2	-4	3	0	-3	-10	-10	-10
	F	-7	-36	-26	-27	-12	-8	-7	-9	-6	-8	-9	-11	-13	-4
	IRL	10	-29	-18	-11	4	5	9	12	8	12	13	10	5	3
	I	5	-39	-23	-29	0	5	4	9	4	12	13	3	3	6
	NL	11	-42	-24	-30	-4	1	5	8	3	6	10	7	3	4
	P	12	-30	-5	-25	-21	-22	-20	-18	-20	-19	-17	-19	-18	-18
	UK	1	-33	-7	-10	-10	-6	-8	-9	-15	-7	-7	-12	-14	-21
	EUR <sup>(c)</sup>	-3	-32	-20	-27	-8	-3	-2	-2	-3	0	-1	-4	-6	-5
MAJOR PURCHASES	B	8	-29	-4	-21	-19	-18	-16	-15	-16	-17	-14	-15	-20	-20
	DK	-7	-27	-18	-17	-1	-2	3	1	5	0	1	3	3	8
	D	3	-20	-16	-18	-14	-12	-11	-11	-13	-11	-12	-10	-14	-13
	GR	-13	-42	-35	-31	-31	-31	-34	-36	-34	-37	-33	-37	-36	-36
	E	13	-64	-25	-58	-48	-45	-38	-38	-39	-36	-35	-42	-42	-47
	F	-1	-33	-26	-29	-19	-17	-16	-19	-17	-16	-19	-21	-22	-22
	IRL	5	-15	-11	4	9	9	8	10	6	12	6	11	6	13
	I	-2	-37	-14	-28	-32	-30	-27	-44	-27	-41	-39	-51	-49	-52
	NL	11	-16	-3	-7	-3	-4	-2	3	-2	2	3	4	6	8
	P	-2	-47	-13	-34	-41	-39	-38	-37	-38	-39	-37	-34	-39	-35
— at present	UK	28	-21	5	11	10	9	7	6	4	3	7	8	10	3
	EUR <sup>(c)</sup>	1	-23	-14	-21	-17	-16	-14	-18	-16	-17	-17	-19	-20	-22
	B	-10	-17	-12	-14	-16	-15	-17	-16	-18	-18	-16	-15	-16	-17
	DK	-7	-14	-10	-9	-4	-4	-6	-3	-4	-3	-3	-2	-5	-3
	D	-13	-29	-22	-26	-24	-21	-22	-22	-24	-22	-23	-22	-23	-24
	GR	-26	-50	-41	-38	-37	-34	-39	-37	-41	-36	-37	-39	-42	-38
	E	-16	-47	-29	-37	-36	-33	-29	-31	-28	-30	-34	-30	-29	-35
	F	1	-1	0	0	0	0	0	0	0	0	0	0	1	0
	IRL	-4	-20	-15	-16	-14	-12	-12	-11	-14	-9	-10	-13	-10	-10
	I	-17	-32	-20	-21	-20	-20	-19	-22	-19	-22	-21	-23	-22	-22
— over next 12 months	NL	-8	-15	-13	-12	-13	-13	-14	-14	-13	-13	-15	-15	-17	-11
	P	20	-23	3	-14	-10	-9	-11	-15	-12	-13	-12	-19	-22	-19
	UK	-8	-26	-19	-19	-18	-17	-19	-17	-19	-18	-16	-18	-19	-19
	EUR <sup>(c)</sup>	-12	-19	-17	-18	-18	-16	-17	-17	-17	-17	-17	-17	-18	-18

TABLE 4 (continued): Consumer opinion on economic and financial conditions (s.a.) (a)

		Values		1992	1993	1994	1994		1995	1994	1995				
		Max. 88/90*	Min. 91/93*				III	IV	I	Dec.	Jan.	Feb.	Mar.	Apr.	May
UNEMPLOYMENT	B	3	64	41	57	33	30	21	23	19	22	22	25	21	24
	DK	14	40	31	29	-5	-14	-12	-16	-11	-11	-18	-19	-14	-15
	D	1	58	33	52	28	22	12	11	11	16	14	4	10	12
	GR	15	56	49	41	39	39	44	46	45	46	43	50	47	49
	E	-4	67	47	59	29	18	15	15	14	10	18	16	22	17
	F	10	64	54	59	38	33	29	22	29	25	21	21	21	9
	— over next 12 months														
	IRL	5	58	50	40	23	24	16	10	12	13	9	9	21	20
	I	26	71	53	66	31	18	19	11	18	11	7	16	18	15
	NL	-9	77	31	67	37	24	20	16	25	21	12	16	15	19
	P	-3	73	26	62	56	54	50	49	51	49	51	47	47	51
UK	-12	52	41	34	20	20	14	14	17	13	13	15	21	23	
EUR(c)	9	57	43	54	30	24	18	16	17	17	15	15	18	15	
PRICE TRENDS	B	21	49	43	44	36	35	33	34	35	34	34	34	33	30
	DK	-23	11	-29	-42	-38	-35	-34	-31	-34	-31	-31	-32	-30	-30
	D	-28	55	51	48	32	25	24	22	25	23	23	20	21	19
	GR	19	56	51	48	32	32	34	40	37	39	39	43	42	40
	E	18	42	35	23	24	24	24	39	25	35	38	43	45	41
	F	0	15	6	-4	-7	-8	-3	4	-7	2	6	4	2	-4
	— over last 12 months														
	IRL	21	34	27	14	14	15	15	17	14	16	19	16	19	18
	I	30	52	48	43	34	30	30	30	30	23	28	38	43	44
	NL	-18	40	28	14	20	20	25	19	26	22	16	20	15	16
	P	35	59	51	46	38	29	37	39	35	41	40	36	41	38
UK	9	49	20	15	15	15	13	18	17	17	18	18	15	17	
EUR(c)	11	37	32	25	19	17	18	21	19	19	21	22	23	21	
— over next 12 months	B	13	45	36	38	26	24	22	24	25	24	22	27	22	24
	DK	-31	-24	-17	-27	-20	-18	-18	-14	-20	-13	-12	-17	-12	-14
	D	-3	58	46	46	33	31	31	30	31	30	30	30	30	29
	GR	31	56	51	45	43	45	48	50	49	49	48	53	53	50
	E	8	32	27	9	9	6	10	20	13	15	22	24	26	23
	F	-4	54	12	10	-1	1	4	6	1	3	6	10	9	9
	IRL	14	32	24	16	17	20	19	17	19	20	14	17	23	25
	I	35	62	53	45	27	25	25	32	27	24	34	39	30	28
	NL	7	60	36	29	29	30	32	28	35	26	28	29	29	28
	P	21	48	41	36	28	21	24	22	23	24	24	19	22	25
	UK	37	57	24	35	37	36	38	39	43	37	41	38	38	37
EUR(c)	22	49	34	30	23	21	23	26	25	23	27	28	26	25	
SAVINGS	B	65	47	61	54	49	48	51	56	54	55	56	57	59	55
	DK	71	64	73	72	57	60	59	59	61	62	59	57	62	61
	D	52	30	35	33	37	39	40	39	39	39	38	39	35	41
	GR	-19	-47	-43	-38	-37	-38	-39	-44	-41	-44	-43	-44	-39	-44
	E	53	30	42	47	42	42	42	41	42	45	35	43	43	46
	F	48	31	48	51	54	55	57	58	56	59	58	57	54	56
	— at present														
	IRL	23	-3	9	12	5	5	2	7	3	5	10	5	5	10
	I	50	33	45	42	48	50	51	49	49	47	53	47	51	51
	NL	60	47	56	59	58	61	60	62	61	61	63	61	59	61
	P	-15	-49	-23	-38	-41	-39	-44	-44	-41	-47	-43	-42	-41	-37
UK	36	-6	15	-1	-2	-2	4	8	6	3	12	8	8	5	
EUR(c)	41	31	36	34	35	36	38	38	38	37	39	37	37	38	
— over next 12 months	B	14	-2	11	4	5	6	7	7	6	9	5	8	10	10
	DK	21	9	15	14	21	23	26	27	23	22	30	29	21	23
	D	22	-1	5	2	6	7	9	8	5	8	6	11	6	9
	GR	-32	-57	-53	-52	-50	-51	-52	-55	-57	-54	-56	-54	-56	-55
	E	-16	-33	-25	-28	-25	-28	-23	-26	-19	-25	-27	-25	-28	-21
	F	-23	-33	-27	-29	-25	-25	-23	-22	-23	-23	-21	-23	-23	-20
	IRL	-12	-32	-26	-25	-20	-20	-17	-13	-16	-16	-9	-13	-18	-17
	I	0	-26	-6	-21	-19	-15	-15	-14	-15	-12	-12	-19	-14	-16
	NL	35	29	35	36	33	31	32	31	32	32	31	31	30	38
	P	-19	-38	-25	-33	-34	-34	-35	-34	-31	-34	-34	-33	-34	-33
	UK	-3	-25	-17	-20	-21	-19	-19	-17	-21	-18	-18	-14	-17	-16
EUR(c)	-4	-16	-10	-15	-12	-11	-10	-10	-10	-10	-10	-9	-11	-9	
FINANCIAL SITUATION OF HOUSEHOLDS	B	19	13	18	16	15	16	15	16	14	15	16	16	17	17
	DK	20	15	20	20	23	24	25	26	23	25	26	27	25	25
	D	22	11	13	12	13	15	15	15	13	15	15	14	14	16
	GR	6	1	3	3	5	5	5	3	4	2	3	3	2	2
	E	15	6	10	7	8	7	9	8	10	8	7	8	9	9
	F	7	2	5	5	4	3	5	5	6	4	6	6	5	5
	— indicator of net acquisition of financial assets														
	IRL	7	1	3	4	8	8	8	11	9	10	11	12	7	8
	I	20	7	17	10	9	10	10	10	10	11	12	8	9	9
	NL	27	22	24	23	25	24	24	25	25	25	26	23	23	27
	P	9	4	10	6	3	3	4	6	3	4	7	8	7	5
UK	16	4	6	6	5	4	5	6	4	5	6	7	5	7	
EUR(c)	14	8	11	9	9	10	10	10	9	10	10	10	10	11	

(a) The sum of the replies for each Member State are weighted in the Community total with the value of consumers' expenditure.

(b) The indicator represents the arithmetic average of results for five questions, namely the two on the financial situation of the household, the two on the general economic situation, and that concerning major purchases at present.

(c) If monthly data are not available, the EUR-averages incorporate the most recent available results.

\* DK Max. 88/91 and Min. 92/93 UK Max. 88/89 and Min. 90/93.



TABLE 5 : Results of business surveys in the retail trade

Balances : i.e. differences between the percentages of respondents giving positive and negative replies (seasonally adjusted)

		Peak	1992	1993	1994	1994		1995	1994	1995				
		88/90				III	IV	I	Dec.	Jan.	Feb.	Mar.	Apr.	May
PRESENT BUSINESS SITUATION	<b>B</b>	30	-13	-25	-17	-20	-13	-17	-14	-16	-16	-18	-21	:
	<b>DK</b>	30	28	16	43	48	50	39	47	38	51	28	41	33
	<b>D</b>	41	-8	-19	-26	-29	-36	-34	-36	-32	-30	-41	-37	:
	<b>E</b>	-4	-49	-64	-46	-37	-41	-46	-43	-44	-49	-44	-43	-44
	<b>F</b>	7	-38	-54	-10	-1	3	-14	-16	-10	-18	-14	-13	:
	<b>I<sup>(b)</sup></b>	10	-16	-35	-25	-24	-12	-10	-13	-7	-1	-22	-10	:
	<b>NL</b>	55	26	24	20	18	18	9	18	13	10	4	19	:
	<b>P</b>	5	-9	-31	-33	-30	-35	-29	-37	-28	-27	-32	-28	-32
	<b>UK<sup>(a)</sup></b>	40	-34	-10	-10	-4	-14	-25	-11	-23	-25	-28	-13	-15
<b>EUR</b>		8	-22	-29	-18	-16	-16	-22	-20	-19	-20	-26	-19	:
VOLUME OF STOCKS	<b>B</b>	21	21	22	13	14	16	20	18	17	21	21	16	:
	<b>DK</b>	16	20	18	9	11	8	12	5	8	10	18	12	16
	<b>D</b>	29	26	27	30	29	29	28	26	29	23	32	36	:
	<b>E</b>	10	8	8	5	6	5	4	7	4	2	7	6	7
	<b>F</b>	23	9	3	9	9	9	6	5	1	12	4	8	:
	<b>I<sup>(b)</sup></b>	31	21	29	19	18	13	14	19	16	6	19	15	:
	<b>NL</b>	20	12	14	14	14	13	14	14	13	12	16	14	:
	<b>P</b>	26	11	16	7	6	3	6	1	2	8	8	10	7
	<b>UK<sup>(a)</sup></b>	31	20	10	14	13	17	19	18	21	18	18	19	18
<b>EUR</b>		21	18	17	17	16	16	16	16	15	14	18	19	:
INTENTIONS OF PLACING ORDERS	<b>B</b>	17	-9	-18	-7	-4	-13	-14	-16	-10	-16	-17	-14	:
	<b>DK</b>	17	21	5	42	50	41	38	44	34	44	35	26	40
	<b>D</b>	19	-4	-11	-17	-22	-21	-22	-25	-17	-24	-25	-35	:
	<b>E</b>	21	-3	-17	2	5	13	-2	13	-1	6	-12	4	3
	<b>F</b>	-7	-26	-27	-20	-19	-15	-10	-15	-4	-11	-15	-4	:
	<b>I<sup>(b)</sup></b>	-1	-25	-47	-20	-17	-10	-13	-15	-9	-9	-22	-20	:
	<b>NL</b>	22	2	-8	0	1	-2	-4	1	-6	-2	-3	2	:
	<b>P</b>	7	-15	-32	-17	-9	-16	-19	-10	-13	-21	-23	-17	-21
	<b>UK<sup>(a)</sup></b>	40	-17	11	15	20	10	4	9	11	0	1	-1	-7
<b>EUR</b>		4	-14	-17	-8	-7	-7	-9	-8	-4	-9	-14	-12	:
EXPECTED BUSINESS SITUATION	<b>B</b>	21	1	-9	1	0	3	0	2	8	-3	-4	-6	:
	<b>DK</b>	28	41	31	59	67	58	56	50	52	64	51	35	37
	<b>D</b>	25	-4	-11	-7	-7	-9	-13	-15	-7	-16	-15	-15	:
	<b>E</b>	32	0	-18	10	21	21	11	25	17	15	2	8	12
	<b>F</b>	-7	-34	-29	-13	-13	-7	8	-12	6	8	10	11	:
	<b>I<sup>(b)</sup></b>	14	-15	-38	-9	-1	1	1	-2	19	-3	-13	-14	:
	<b>NL</b>	40	18	8	17	19	15	14	18	14	14	15	16	:
	<b>P</b>	39	8	-2	4	7	8	9	8	10	7	9	1	-1
	<b>UK<sup>(a)</sup></b>	43	10	22	19	19	18	7	15	15	3	2	2	-1
<b>EUR</b>		9	-7	-12	1	3	4	3	1	9	1	-2	-2	:

(a) Refers to volume of sales for the time of the year.

(b) Excl. large multiple shops.

GRAPH 5 : Results of business surveys in the retail trade — European Community<sup>1</sup> (s.a.)

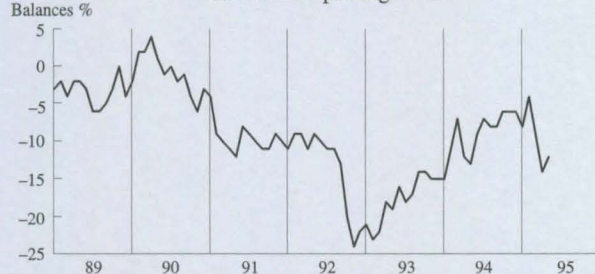
Balances % Present business situation



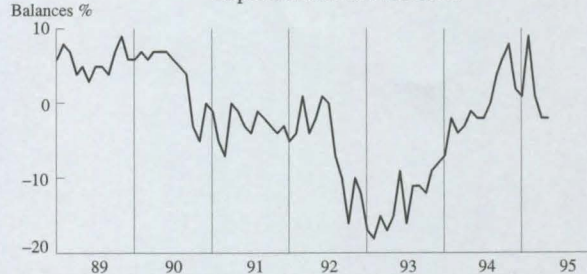
Balances % Volume of stocks



Balances % Intentions of placing orders



Balances % Expected business situation



For the notes : see table 5.

<sup>1</sup> Since September 1988 with Spain; since January 1989 with Portugal; since November 1990 with Denmark.

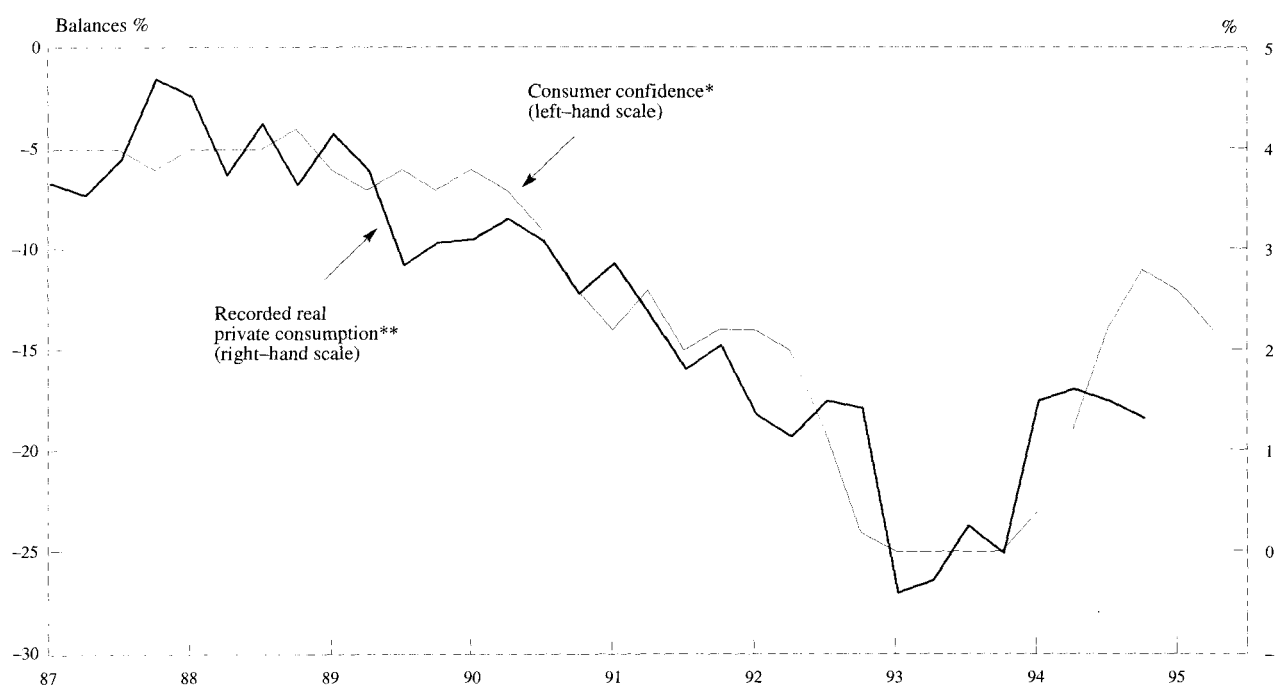
## SAVING INTENTIONS AND INCOME PROSPECTS OF CONSUMERS SUGGEST A SLOWDOWN IN THE GROWTH OF PRIVATE CONSUMPTION

The expected buoyancy of consumption expenditure, which should support the transformation of the present recovery into a sustainable medium-term growth process, is being weakened by the cautious behaviour of households. Consumers expect a rebound in their savings in 1995 in virtually all Member States despite falling interest rates (table 4). Given that the assessments of saving intentions undertaken in the past have proved to be a good indicator of the percentage change in gross savings of households (see graph 7), the observed increase in the balance of saving expectations could point to a further increase in households' savings.

The pace of the increase in saving intentions cannot be attributed to better income expectations. Households did not see any change in their recent financial situation and do not expect any significant change in the future. These two indicators of their financial situation show only a slight upward trend compared to expectations of one year ago (table 4). This reflects that households do not expect an acceleration in their wage increases. High unemployment figures and worsening employment expectations, as registered in the industry and construction surveys, may depress the hope for wage increases.

The pick-up in the indicator of savings is probably due to financial and political uncertainties which exert a negative impact on the general economic situation. Indicators of the *general economic situation* point downwards for the past months. For the coming months there appears to be a deterioration of expectations in almost all Member States, except in Italy and France. In Belgium, Germany, Ireland and the United Kingdom, the trend in the economic situation for the coming months is negative. These downward expectations can be explained by different factors. Firstly, the recent weakening of the US dollar affected negatively European economy prospects both in terms of lost competitiveness in appreciating countries and fear of inflationary pressures in depreciating countries. Secondly, the negative impact stemming from economic policy tightening in the Member States towards sounder public finances. Moreover, government changes after elections could lead to a more cautious attitude towards spending and to higher savings. These precautionary savings can be inferred from the balance result for the indicator of *net acquisition of financial assets* (table 4), which indicates a clear tendency towards households saving more.

GRAPH 6 : Consumer confidence indicator and growth in real private consumption – EUR



\* The indicator represents the arithmetic average of results for five questions, namely the two on the financial situation of the household, the two on the general economic situation and that concerning major purchases at present. Figure for 1995 represents an average of the first 5 months of the year.

\*\* Quarterly data: percentage change on corresponding quarter of preceding year; EUR6: WD, E, F, I, NL, UK.

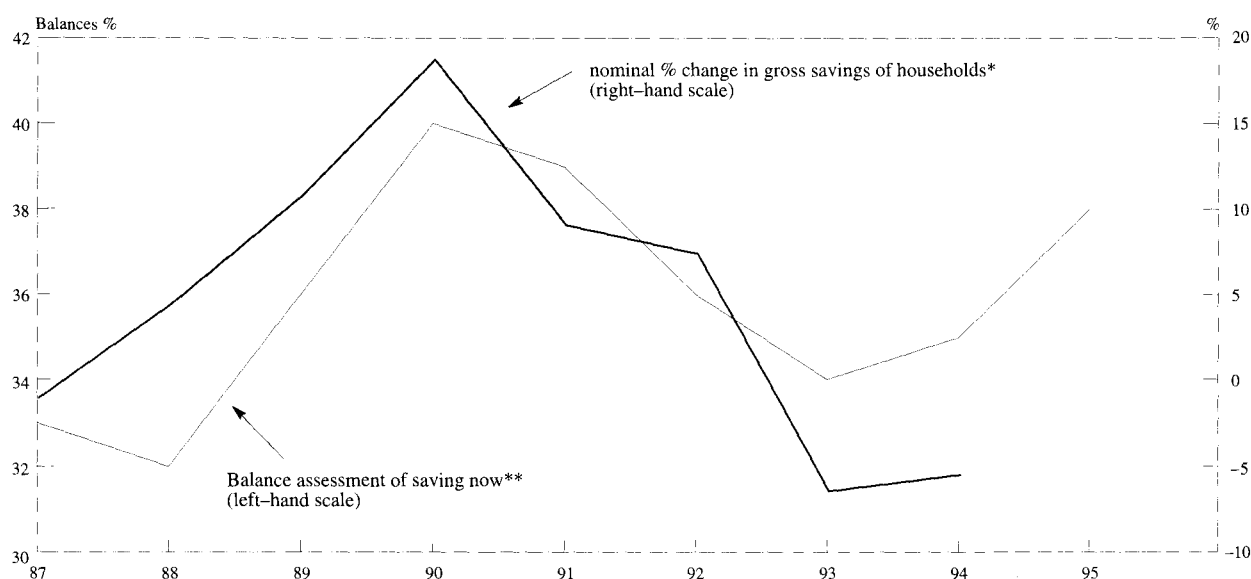
Source : Commission services and European Commission consumer surveys.

Falling long-term interest rates are no obstacle to increased saving expectations of consumers. With only a few exceptions, long term interest rates throughout the Community have been falling since the beginning of this year. In a historical perspective however, real long-term interest rates are still high in virtually all Member States which should entail a positive influence on saving intentions (graph 8). Furthermore, when interest rates are falling, prospects for equities tend to be better and consumers tend to invest more in shares.

The buoyant trend in saving intentions and the expected unchanged income situation suggest that growth in private consumption will slow down. The evolution of the *consumer confidence indicator*, which has proved to be a good indicator of the percentage change in real private consumption, has been decelerating over recent months (graph 6). Since consumers face no better income prospects and are vulnerable to uncertainty, their willingness to spend has decreased. This puts the expected continuation of a sustained expansion of domestic demand in a more vulnerable light.

This contribution was prepared by Lut Brenard, DG II-4. 20 June 1995.

GRAPH 7a : Assessment and outcome of households' savings now - EUR

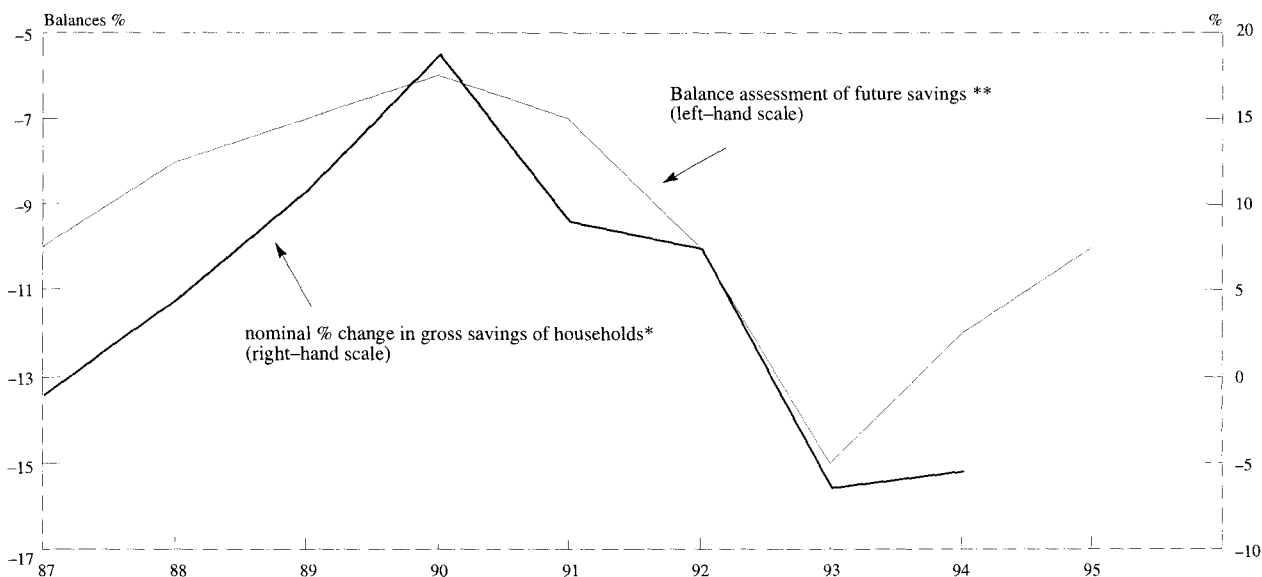


\* EUR8: B, WD, E, F, I, NL, P, UK.

\*\* 1995 represents an average of the first 5 months of the year.

Source : Commission services and European Commission consumer surveys.

GRAPH 7b : Assessment and outcome of households' future savings - EUR



\* EUR8: B, WD, E, F, I, NL, P, UK.

\*\* 1995 represents an average of the first 5 months of the year.

Source : Commission services and European Commission consumer surveys.

GRAPH 8 : Real long term interest rates



Source: Commission services

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